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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/807,431	03/23/2004	Thomas R. Gandre	020375-053700US	4231
20350 7590 06/04/2008 TOWNSEND AND TOWNSEND AND CREW, LLP TWO EMBARCADERO CENTER EIGHTH FLOOR SAN FRANCISCO, CA 94111-3834				
EXAMINER				
OBEID, MAMON A				
ART UNIT		PAPER NUMBER		
3621				
MAIL DATE		DELIVERY MODE		
06/04/2008		PAPER		

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

10/807,431

Applicant(s)

GANDRE ET AL.

Examiner

MAMON OBEID

Art Unit

3621

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 08 April 2008.
2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1- 43 is/are pending in the application.
4a) Of the above claim(s) 21, 28 and 31- 43 is/are withdrawn from consideration.
5) ☐ Claim(s) _____ is/are allowed.
6) ☒ Claim(s) 1- 20 and 22- 27 is/are rejected.
7) ☐ Claim(s) _____ is/are objected to.
8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☒ Information Disclosure Statement(s) (PTO-856)
Paper No(s)/Mail Date 02/23/2007 and 03/23/2004
4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date _____
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____

DETAILED ACTION

Acknowledgements

1. This is in reply to the restriction response filed on February 25, 2008 ("Restriction Response").
2. In the Restriction Response, Applicant noted a typographical error as having Group I to include claims from Group II. To correct this typographical error, the Examiner made a telephone communication with Applicant's representative, Darin Gibby, on March 27, 2008 ("Telephone Communication"). In the Telephone Communication, the Examiner and the Applicant representative agreed on the following corrections: Group I: claims 1- 20 and Group II: claims 21- 28 and 31- 43. The Applicant representative further pointed out that claims 22- 27 should have depended from claim 21 and not claim 20 (it was an error). Therefore, claims 22- 27 were treated as claims that depend from claim 21.
3. Applicant's election without traverse of Group I in the reply filed on February 25, 2008 and in the Telephone Communication is acknowledged.
4. Claims 21- 28 and 31- 43 are withdrawn from further consideration pursuant to 37 CFR 1.142(b) as being drawn to a nonelected group, there being no allowable generic or linking claim.
5. Claims 1– 43 are currently pending.
6. Claims 1- 20 have been examined.

Information Disclosure Statement

7. The Information Disclosure Statements filed on 02/23/2007 and on 03/23/2004 have been considered. An initialed copy of the Form 1449 is enclosed herewith.

Claim Rejections - 35 USC § 103

8. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

9. Claims 1- 20, as understood by the Examiner, are rejected under 35 U.S.C. 103(a) as being unpatentable over Berardi et al (U.S. Patent Application Publication No. 2004/0049451 A1) in view of Langhans et al (U.S. Patent No. 5,621,201).

10. **As per claim 1:** Berardi discloses:

- a. *a user presenting a form of account identification to an electronic transaction device to initiate a transaction ((¶ [0006]));*
- b. *inputting a transaction amount ((¶ [0089]));*
- c. *providing a table that includes a plurality of merchant categories and transaction threshold amounts for each merchant category ((¶ [0089]));*
- d. *obtaining the merchant category for each initiated transaction ((¶ [0040]));*

- e. *comparing the inputted transaction amount to the transaction threshold associated with the merchant (§ [0089]);*
- f. *requiring the use to enter the secret code for the selected transaction if the inputted transaction amount exceeds the transaction threshold amount associated with the merchant (§ [0089]).*

Berardi does not explicitly disclose a table including a plurality of merchant categories. Langhans, however, discloses *providing a table that includes a plurality of merchant categories and transaction threshold amounts for each merchant category; obtaining the merchant category for each initiated transaction* (column 7, lines 17- column 8, line 27).

Therefore, it would have been obvious to a person having ordinary skill in the art at the time the invention was made to modify Berardi teachings to include a plurality of merchant codes associated with a spending limit to allows a spending limit to be applied over a company-defined cycle, such as a monthly cycle or other billing cycle and to allow a company's open-to-buy limit to be applied (the available credit at the company level after deducting individual expenditures) which means that the authorization request, if approved to this point, must not cause the company credit line to be exceeded (Langhans, column 8, lines 4- 13).

13. **As per claim 2:** Berardi discloses *wherein the selected transactions are transactions where the form of account identification is contactless (§ [0002]).*

14. **As per claim 3:** Berardi discloses:
 - g. *automatically routing the transaction to a user's stored value account for debiting of the transaction amount* (§ [0015]).
15. **As per claim 4:** Berardi discloses *wherein the merchant transactions are debit transactions* (§ [0006]).
16. **As per claim 5:** Berardi discloses *wherein the secret code is a PIN* (§ [0038]).
17. **As per claim 6:** Berardi discloses *wherein the form of account identification is a physical contactless device* (§ [0032]).
18. **As per claim 7:** Berardi discloses *wherein the form of account identification is a magnetic stripe card* (§ [0038]).
19. **As per claim 8:** Berardi discloses *wherein the form of account identification is biometric data* (§ [0038]).
20. **As per claims 9 and 10:** Berardi discloses all the limitations of claim 1 as shown above but does not expressly disclose *wherein the merchant categories are*

defined by SIC codes. Langhans, however, discloses merchant SIC codes (column 1, lines 38- 50).

Therefore, it would have been obvious to a person having ordinary skill in the art at the time the invention was made to modify Berardi teachings to include a merchant category codes/ SIC codes, disclosed by Langhans, to monitor account/ credit usage to detect fraud or fraud patterns which is desirable from a bank's perspective. Banks incorporate features in administering a credit card system which allows them to monitor usage. For example, banks can obtain reports showing usage in a particular geographic area, or usage for particular types of merchants, and compare these to the incidents of reported fraud. One useful test is that of "velocity checking." Velocity checking involves determining how often a card is used within a particular time period. Such a check could, for example, uncover fraudulent activity, although this may be hard to distinguish from non-fraudulent cardholder activity (see Langhans at column 1, lines 38- 61).

21. Claims 11- 20 recite an apparatus that implements the method of claims 1- 10 and therefore claims 11- 20 are rejected based on the same rationale of the method claims.

22. **Examiner's Note:** The Examiner has pointed out particular references contained in the prior art of record within the body of this action for the convenience of the Applicant. Although the specified citations are representative of the teachings in the art

and are applied to the specific limitations within the individual claim, other passages and figures may apply. Applicant, in preparing the response, should consider fully the entire reference as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the Examiner.

23. Although Applicant(s) use "means for" in the claim(s) (e.g. claims 11- 27), it is the Examiner's position that the "means for" phrase(s) do not invoke 35 U.S.C. 112 6th paragraph. If Applicant(s) concur, the Examiner respectfully requests Applicant(s) to either amend the claim(s) to remove all instances of "means for" from the claim(s), or to explicitly state on the record why 35 U.S.C. 112 6th paragraph should not be invoked.

24. Alternatively, if Applicant(s) desire to invoke 35 U.S.C. 112 6th paragraph, the Examiner respectfully requests Applicant(s) to expressly state their desire on the record. Upon receiving such express invocation of 35 U.S.C. 112 6th paragraph, the "means for" phrase(s) will be interpreted as set forth in the *Supplemental Examination Guidelines for Determining the Applicability of 35 USC 112 6th*.

25. Failure by Applicant(s) in their next response to also address the 35 U.S.C. 112 6th paragraph issues in accordance with 37 C.F.R. §1.111(b) or to be non-responsive to this issue entirely will be considered a desire by Applicant(s) NOT to invoke 35 U.S.C. 112 6th paragraph. Unless expressly noted otherwise by the Examiner, the preceding

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discussion on 35 U.S.C. 112 6th paragraph applies to all examined claims currently pending.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Mamon Obeid whose telephone number is (571) 270-1813. The examiner can normally be reached on Mon-Fri 9:30 AM- 6:00 PM. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Andrew J. Fischer can be reached on (571) 272-6779. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Mamon Obeid
Examiner
Art Unit: 3621
June 3, 2008

/Jalatee Worjloh/

Primary Examiner, Art Unit 3621